GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4338
ANSWERED ON:19.04.2002
SERVICE TAX ON PRASAR BHARTI
A. VENKATESH NAIK

Will the Minister of FINANCE be pleased to state:

(a) whether the statutory corporations like Prasar Bharati come in the purview of service tax;

(b) if so, whether some statutory corporations particularly Prasar Bharati denied to pay service tax;

(c) if so, the reason for the same; and

(d) the further steps taken by the Government in this regard?

Answer

MINISTER OF STATE (REVENUE) IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a), (b),(c) & (d) Though this Ministry was of the view that Prasar Bharati (Doordarshan and All India Radio) are liable to pay Service Tax as `Broadcasting Service` provider with effect from 16.7.2001, under the provisions of the Finance Act, 1994, as amended, Prasar Bharai have however, all along taken the stand that they are not liable to pay Service Tax on the round that they are fully exempt as per the provisions of Section 22 of the Prasar Bharati Act, 1990.Prasar Bharati had referred the matter to the Ministry of Information & Broadcasting, for clarification. The Ministry of Information & Broadcasting, in turn, referred the matter to the Solicitor General of India through the Law Ministry, for advice.The Solicitor General of India has clarified on 10.3.2002, that as per the provisions of Section 22 of the Prasar Bharati Act, 1990, Prasar Bharati is not liable to pay any Service Tax. .